

ALLTEL COMMUNICATIONS

One Allied Drive
Little Rock, AR 72202
P.O. Box 2177, 72203-2177
501-905-8000

Larry Krajci
Staff Manager - State Regulatory Matters
501-905-5342
501-905-5679 fax



REC'D TN
REGULATORY AUTH.
'99 APR 13 PM 2 20
OFFICE OF THE
EXECUTIVE SECRETARY
APR 14 1999

VIA FEDERAL EXPRESS

David Wardell
Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

Re: Docket No. 99-00149
Application of ALLTEL Communications, Inc. for IXC/CLEC authority

Dear Mr. Wardell:

ALLTEL Communications, Inc. hereby submits the original and thirteen copies of notarized testimony filed on behalf of its application for a certificate of convenience and necessity to provide interexchange and local exchange telecommunications service in the State of Tennessee.

Please call me at (501) 905-5342 if you have any questions.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lawrence Krajci". The signature is written in black ink and is located below the word "Sincerely,".

Lawrence Krajci

BEFORE THE TENNESSEE REGULATORY AUTHORITY

REC'D TN
REGULATORY AUTH.

IN THE MATTER OF THE APPLICATION)
OF ALLTEL COMMUNICATIONS, INC. FOR)
A CERTIFICATE OF PUBLIC CONVENIENCE)
AND NECESSITY TO PROVIDE INTRASTATE)
TELECOMMUNICATIONS SERVICES)

'99 APR 13 PM 2 20

DOCKET NO. 99-00149
OFFICE OF THE
EXECUTIVE SECRETARY

DIRECT TESTIMONY OF LAWRENCE KRAJCI

Q. Please state your name and business address.

A. My name is Lawrence Krajci. My business address is One Allied Drive, Little Rock,
Arkansas, 72202.

Q. By whom, and in what capacity are you employed?

A. I am employed as Staff Manager, State Regulatory Matters by ALLTEL
Communications Service Corporation (ACSC). I am testifying on behalf of
ALLTEL Communications, Inc. Both companies are subsidiaries of ALLTEL
Corporation. ACSC provides administrative and management support functions for
ALLTEL Communications, Inc.

Q. Please describe your qualifications.

A. I received a Bachelor of Science degree from Penn State University. I have been
employed by ALLTEL for fifteen (15) years and have held positions in the
marketing, customer service, rates and tariffs, and regulatory areas. I have
previously testified on behalf of ALLTEL subsidiaries in Georgia, Missouri, New
Mexico, and Oklahoma.

Q. What is the purpose of your testimony in this proceeding?

A. The purpose of my testimony is to support the application of ALLTEL Communications, Inc. (ACI) for a Certificate of Public Convenience and Necessity to provide intrastate telecommunications services in Tennessee and to present evidence of ACI's managerial, financial, and technical ability to provide telecommunications services.

Q. What is this history of ACI?

A. ACI was formed as a subsidiary of ALLTEL Corporation in 1995. ACI provides various communications services including wireless, paging, long distance, internet and competitive local exchange (CLEC) services in states throughout ALLTEL's serving areas. The ALLTEL family of companies has provided telecommunications services for over 80 years.

Q. Describe the ownership of ACI.

A. ACI is a subsidiary of ALLTEL Mobile Communications, Inc. which is a wholly owned subsidiary of ALLTEL Corporation.

Q. Does the parent corporation guarantee the financial condition of this subsidiary and ultimately the financial health of the operating division?

A. Yes.

Q. What were the 1998 revenues and assets of ACI's parent ALLTEL Corporation?

A. As reflected in the ALLTEL Corporation 1998 annual report attached to ACI's application, at year end 1998, ALLTEL Corporation had \$5.2 billion in total revenue and sales and \$9.4 billion in total assets.

Q. Do you believe that ACI possesses the financial ability to provide telecommunications services in Tennessee?

A. Yes.

Q. Do you believe ACI possesses the managerial and technical abilities to provide intrastate telecommunications services in Tennessee?

A. Yes. ACI officers have substantial experience managing the provisions of local exchange, toll, and exchange access services. Exhibit LK-1 provides a description of the qualifications of ACI's officers. This attachment was also included as part of ACI's application.

Q. What services will ACI offer?

A. ACI will provide local exchange, interexchange, and competitive access services. Initially, ACI plans to provide its local services on a resale basis.

Q. Does ACI plan to utilize its own facilities in the provision of intrastate telecommunications services?

A. Although ACI has not established a time line or identified specific locations for establishing facilities, ACI ultimately plans to offer services over its own facilities.

Q. Has ACI filed its small and minority-owned business plan?

A. Yes. ACI's small and minority-owned business plan was filed as part of ACI's application.

Q. Will ACI offer services in areas served by rural local exchange carriers or telephone cooperatives?

A. ACI plans to offer services in areas served by BellSouth, and possibly United Telephone-Southeast. ACI does not propose to offer local exchange service in exchanges served by incumbent local exchange carriers with fewer than 100,000 total access lines in Tennessee unless such company enters into an interconnection agreement with a competing telecommunications service provider or unless such incumbent local exchange company applies for a Certificate to provide telecommunications services in an area outside its service area.

Q. Has ACI served notice of its application on incumbent local exchange telephone companies and other interested parties?

A. Yes. ACI provided such notices via United States Mail on March 26, 1999. A certificate of service is attached as Exhibit LK-2.

Q. Do you believe that granting a Certificate of Public Convenience and Necessity to provide intrastate telecommunications services is in the public interest?

A. Yes. Granting a Certificate to ACI will provide increased competitive choices for telecommunications consumers in Tennessee.

Q. Is ACI certificated to provide telecommunications in any other states?

A. Yes. Currently, ACI is certificated to provide interexchange telecommunications services on a resale and/or facilities basis in the States of Arkansas, Alabama, Florida, Georgia, Kentucky, Mississippi, Missouri, New York, North Carolina, Ohio, Oklahoma, Pennsylvania, South Carolina, and Texas. Additionally, ACI is certificated to provide local exchange services on both a facilities and resale basis in the States of Arkansas, Florida, and North Carolina. ACI has not been denied authority in any state.

Q. Will ACI comply with all applicable statutes, rules and orders pertaining to the provision of telecommunications services in Tennessee?

A. Yes.

Q. Does this conclude your testimony?

A. Yes.

**DESCRIPTION OF
QUALIFICATIONS OF OFFICERS**

Michael T. Flynn is President of ALLTEL Communications, Inc. Prior to joining ALLTEL in 1994, Mr. Flynn served as President of Arkansas for Southwestern Bell Telephone Company which he had held since 1991. Mr. Flynn began his Southwestern Bell career in 1970 and held a variety of positions in the company's network and telecommunications research operations. In 1983, the year divestiture occurred, Mr. Flynn was with AT&T in New Jersey and later served with Bell Communications Research there. In 1987, he was appointed Managing Director-Technology Planning for SBC Technology Resources. Mr. Flynn later moved to Dallas, where he served as Vice President-Network for Southwestern Bell's Texas Division. Mr. Flynn holds a Bachelor's Degree in Industrial Engineering from Texas A&M University. He has attended the Dartmouth Institute and the Harvard Advanced Management Program.

James F. Gadberry is Executive Vice President of Network Services for ALLTEL Communications, Inc. Mr. Gadberry began his thirty seven year career in telecommunications in 1960 with AT&T. While with AT&T, Mr. Gadberry held various management positions in sales and operations in Dallas, St. Louis and Kansas City. Mr. Gadberry joined ALLTEL in 1966 as General Commercial Manager. Mr. Gadberry has held various other positions with the company, including President of the Southwest Region and President of ALLTEL Telephone Services Corporation. Mr. Gadberry holds a Bachelor's Degree in Engineering from the University of Arkansas where he graduated with honors.

Jeffery R. Gardner is Treasurer of ALLTEL Communications, Inc. Mr. Gardner has been employed by 360 Communications or one of its former parent companies since 1986 and has held a variety of management positions at the company, including President of 360's Mid-Atlantic Region, General Manager and Director of Financial Systems and Controls, and Director of Quality. He received a Bachelor of Science Degree in Finance from Purdue University and a Master's Degree in Business Administration from William and Mary.

Francis X. Frantz is Secretary of ALLTEL Communications, Inc. Mr. Frantz practiced law for 11 years at the firm of Thompson, Hine and Flory in Cleveland, Ohio, and was partner during his last 3 years there. Mr. Frantz joined ALLTEL in 1990 as Senior Vice President and General Counsel and was appointed Secretary in 1992 and Senior Vice President-External Affairs in April 1993. Mr. Frantz holds a Bachelor's Degree from the University of Akron and obtained a Juris Doctor from Ohio State University.

Willie G. Staggs is Vice President-Regulatory for ALLTEL Communications, Inc. Mr. Staggs joined ALLTEL in 1972 and has held various positions in accounting, finance and regulatory management. Mr. Staggs' current responsibilities with ALLTEL Communications, Inc. include supervision of federal and state regulatory matters, federal and state access tariffs, telephone company local tariffs, costing and economic policy. Mr. Staggs holds a bachelor's degree in accounting from the University of Central Arkansas in Conway, AR. He is a member of the Arkansas Society of CPAs and the AICPA.

SERVICE LIST

American Communications Services, Inc.
131 National Business Parkway, Suite 100
Annapolis Junction, MD 20701

ATS of Tennessee, Inc.
3915 Mendenhall Road South
Memphis, TN 38115

AT&T
511 Union Street, Suite 1010
Nashville, TN 37219

BellSouth Telecommunications, Inc.
333 Commerce Street
Nashville, TN 37201-3300

Brooks Fiber Communications of TN, Inc.
800 South Gay Street, Suite 1800
Knoxville, TN 37924

BTI Communications, Inc.
4200 Six Forks Road
P. O. Box 150002
Raleigh, NC 27624

Comm. Depot, Inc.
889 Bendik Drive
Jackson, TN 38301

DeltaCom, Inc.
P. O. Box 1233
Arab, AL 35016

GTE Communications, Corp.
1200 Walnut hill Lane
Irving, TX 75038

Hyperion of TN, Inc.
222 Second Avenue North
Washington Square – Suite 422
Nashville, TN 37219

EXHIBIT LK-2

ICG Telecom group, Inc.
2100 West End Avenue, Suite 620
Nashville, TN 37203

Intermedia Communications
3625 Queen Palm Drive
Tampa, FL 33519-1309

LCI International Telecom Corp.
8180 Greensboro Drive, Suite 800
McLean, VA 22102

Logix Communications Corporation
13429 N. Broadway Extension, Suite 200
Oklahoma City, OK 73114

MCI Telecommunications Corp.
780 Johnston Ferry Road, Suite 700
Atlanta, GA 30342

MFS Intelnet of Tennessee, Inc.
515 East Amite Street, 4th Floor
Jackson, MS 39201

MFS Communications Company, Inc.
One Tower lane, Suite 1600
Oakbrooke Terrace, IL 60181

New South Communications, LLC
355 Woodruff Road
Greenville, SC 29607

NEXTLINK Tennessee
105 Molloy Street, Suite 300
Nashville, TN37201

SouthEast Telephone LTD
317 Main Street, 4th Floor
Pikeville, KY 41501

Sprint Communications Company
3100 Cumberland Circle
Mailstop GAATLN0802
Atlanta, GA 30339

EXHIBIT LK-2

TCG MidSouth
49 Music Square West, Suite 200
Nashville, TN 37203

Teligent, Inc.
8065 Leesburg Pike, Suite 400
Vienna, VA 22182

Time Warner
P. O. Box 210706
Nashville, TN 37221

United Telephone – Southeast, Inc.
14111 Capital Boulevard
Wake Forest, NC 27587-5900

US LEC of Tennessee
212 Tryon Street, Suite 1540
Charlotte, NC 22828

US West Interprise America, Inc.
1999 Broadway, Suite 700
Denver, CO 80202

WinStar Communications of TN, Inc.
7799 Leesburg Pike, Suite 401
South Tyson's Corner, VA 22043

WorldCom Technologies (LDDS)
201 Energy Parkway, Suite 200
Lafayette, LA 70508

State of Arkansas

County of Pulaski

AFFIDAVIT

I, Lawrence Krajci, hereby certify that I am an employee of ALLTEL Communications Service Corporation; that I am authorized to provide this affidavit; that I have reviewed the attached testimony on behalf ALLTEL Communications, Inc.; and that the facts stated therein are true and correct to the best of my knowledge, information and belief.


Lawrence Krajci
Staff Manager, State Regulatory Matters

Subscribed and sworn to before me this 12th day of April 1999.


Notary Public

My commission expires: 12-16-2008

